

# *The Coca-Cola Company*

WILMINGTON, DELAWARE

1966

ANNUAL REPORT



THE COCA-COLA COMPANY  
AND SUBSIDIARIES

*ANNUAL  
REPORT*

FOR THE YEAR  
**1966**

## LETTER TO STOCKHOLDERS

March 6, 1967

In 1966 new record highs in sales and earnings were established by both our domestic and foreign businesses. Consolidated net profit, after reserves, taxes, and all other charges, was \$88,967,014 or \$3.12 a share compared with \$75,719,561 or \$2.66 a share in 1965. All segments of our operation — carbonated beverages, citrus products, coffee and tea — contributed to this result.

Sales of Coca-Cola and Fanta products in the United States and around the world were at an all-time high. Fresca, a citrus-flavored soft drink, was made available to all domestic bottlers early in the year. Its introduction across the country was accompanied by gratifying consumer acceptance.

Expansion and modernization of physical plant facilities continued in 1966. Construction of a new twelve-story office building in Atlanta adjacent to our present office-factory complex was begun in November.

Your Board of Directors records with deepest regret the passing of its esteemed member, Bernard F. Gimbel, on September 29. Mr. Gimbel, Chairman of the Board of Gimbel Brothers, Inc., New York City, became a member of our Board in March 1946 and served on a number of Committees of the Board, including the Executive Committee.

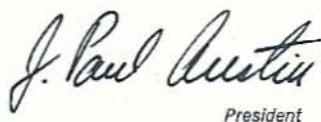
On March 6, 1967, the Board of Directors raised the quarterly dividend rate from  $47\frac{1}{2}\text{¢}$  to  $52\frac{1}{2}\text{¢}$  per share, which represents the fifth consecutive year the dividend payment has been increased.

The consolidated balance sheet and statements of profit and loss and earned surplus follow in this report.

A separate mailing will contain a proxy form and notice of annual meeting of stockholders at 11:00 a.m., Wilmington time, on Monday, May 1, 1967, at the office of the Company, 100 West Tenth Street, Wilmington, Delaware.

*For the Board of Directors*

  
Chairman

  
President

# THE COCA-COLA COMPANY AND SUBSIDIARIES

YEARS ENDED DECEMBER 31, 1966 AND 1965

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

	1966	1965
Net sales . . . . .	\$979,234,393	\$864,041,454
Cost of goods sold . . . . .	<u>497,326,071</u>	<u>445,465,468</u>
GROSS PROFIT . . . . .	\$481,908,322	\$418,575,986
Selling, administrative and general expenses . . . . .	<u>296,927,278</u>	<u>261,560,274</u>
OPERATING PROFIT . . . . .	\$184,981,044	\$157,015,712
Other income . . . . .	<u>9,975,392</u>	<u>9,244,517</u>
	\$194,956,436	\$166,260,229
Less other deductions . . . . .	<u>17,315,422</u>	<u>13,965,668</u>
PROFIT BEFORE TAXES ON INCOME . . . . .	\$177,641,014	\$152,294,561
Provision for taxes on income . . . . .	<u>88,674,000</u>	<u>76,575,000</u>
NET PROFIT . . . . .	<u>\$ 88,967,014</u>	<u>\$ 75,719,561</u>

## CONSOLIDATED STATEMENT OF EARNED SURPLUS

	1966	1965
Balance at January 1 . . . . .	\$302,371,229	\$275,053,203
Net profit for the year . . . . .	<u>88,967,014</u>	<u>75,719,561</u>
	\$391,338,243	\$350,772,764
Dividends paid in cash (per share —		
1966, \$1.90; 1965, \$1.70) . . . . .	<u>54,184,316</u>	<u>48,401,535</u>
BALANCE AT DECEMBER 31 . . . . .	<u>\$337,153,927</u>	<u>\$302,371,229</u>

See Notes to Financial Statements

# CONSOLIDATED

## THE COCA-COLA COMPANY AND SUBSID

### ASSETS

#### CURRENT:

	1966	1965
Cash . . . . .	\$ 54,226,695	\$ 47,090,950
U.S. Government and other marketable securities — at cost (market price — 1966, \$90,461,626; 1965, \$68,604,802) . . . . .	90,550,082	68,690,301
Trade accounts receivable (less allowance — 1966, \$1,244,834; 1965, \$1,045,423) . . . . .	69,441,891	58,234,500
Inventories . . . . .	101,652,926	105,782,585
Prepaid expenses . . . . .	8,648,458	8,208,499
TOTAL CURRENT ASSETS . . . . .	\$324,520,052	\$288,006,835

#### MISCELLANEOUS INVESTMENTS AND

OTHER ASSETS . . . . .	\$ 24,664,506	\$ 24,993,013
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#### PROPERTY, PLANT AND EQUIPMENT:

##### At cost:

Land and improvements . . . . .	\$ 38,643,221	\$ 34,138,176
Buildings . . . . .	98,703,678	89,220,914
Machinery and equipment . . . . .	221,877,517	194,149,824
Containers . . . . .	40,615,125	31,169,666
	\$399,839,541	\$348,678,580
Less allowance for depreciation . . . . .	157,081,448	135,018,865
	\$242,758,093	\$213,659,715

#### FORMULAE, TRADE-MARKS

AND GOODWILL — at cost . . . . .	\$ 45,607,055	\$ 45,179,699
	\$637,549,706	\$571,839,262

*See Notes to*

# BALANCE SHEET

LIABILITIES—DECEMBER 31, 1966 AND 1965

## LIABILITIES

### CURRENT:

	1966	1965
Notes payable . . . . .	\$ 14,254,292	\$ 12,362,944
Current maturities of long-term debt . . . . .	586,613	571,364
Accounts payable and accrued accounts . . . . .	84,244,662	65,444,609
	<u>\$ 99,085,567</u>	<u>\$ 78,378,917</u>
Accrued taxes — including taxes on income . . . . .	\$ 67,630,718	\$ 64,020,318
Less U. S. Government securities		
for payment of income taxes . . . . .	27,199,073	25,849,910
	<u>\$ 40,431,645</u>	<u>\$ 38,170,408</u>
TOTAL CURRENT LIABILITIES . . . . .	<u>\$139,517,212</u>	<u>\$116,549,325</u>
LONG-TERM DEBT . . . . .	<u>\$ 6,107,666</u>	<u>\$ 6,648,131</u>
RESERVE FOR UNREMITTED		
FOREIGN PROFITS . . . . .	<u>\$ 88,882,799</u>	<u>\$ 80,186,048</u>
CAPITAL STOCK AND SURPLUS:		
Common stock — no par value; authorized		
35,000,000 shares; (issued 1966,		
28,638,966 shares; 1965, 28,603,209 shares) . . . . .	\$ 57,619,849	\$ 57,548,055
Capital surplus . . . . .	14,094,444	13,312,013
Earned surplus . . . . .	<u>337,153,927</u>	<u>302,371,229</u>
	<u>\$408,868,220</u>	<u>\$373,231,297</u>
Less shares of stock held in treasury — at cost		
(1966, 114,362 shares; 1965, 102,548 shares) . . . . .	5,826,191	4,775,539
	<u>\$403,042,029</u>	<u>\$368,455,758</u>
	<u><u>\$637,549,706</u></u>	<u><u>\$571,839,262</u></u>

## NOTES TO 1966 FINANCIAL STATEMENTS

**1. Foreign Operations.** The consolidated balance sheet includes the following amounts with respect to subsidiaries and branches operating in foreign countries: Current assets \$108,577,751 (including cash and securities totaling \$52,697,269); property, plant and equipment at depreciated cost, \$84,702,710; other assets, \$11,228,125; and liabilities \$78,968,942. Property accounts have been converted at rates of exchange prevailing at dates of acquisition and all other assets and liabilities at approximate rates of exchange prevailing at December 31, 1966.

It is the established policy of the Company to include in consolidated net profit the entire net profit of the Canadian subsidiaries, but to include the net profit of other foreign subsidiaries only to the extent such profits have been remitted to the Company. Accordingly, the other deductions account includes a provision for unremitted foreign profits in the amount of \$8,696,751, representing foreign profits earned but not remitted in 1966.

**2. Inventories** are stated at the lower of cost (principally average or first-in, first-out method) or market except that inventories of certain major citrus concentrate products are stated at the lower of cost (last-in, first-out method) or market.

**3. Long-Term Debt** (exclusive of current maturities).

Mortgages, principally on grove properties at 5½%, payable in installments through 1982 . . . . .	\$2,307,666
Sinking Fund Debentures 5½%, payable in installments through January 1974 . . . . .	1,800,000
Subordinated Debentures 5½%, payable in installments through January 1976 . . . . .	<u>2,000,000</u>
	<u>\$6,107,666</u>

**4. Stock options.** In 1966 the Company adopted a qualified stock option plan and reserved 400,000 shares of either or both of its treasury or authorized but unissued common stock for sale under the plan to certain officers and employees of the Company and its subsidiaries. Information relating to the outstanding options (including those granted under prior plans) is as follows: Options outstanding at January 1, 1966, 184,020 shares; options granted during the year, 215,913 shares; options exercised during the year, 38,909 shares; options cancelled during the year through death, retirement, or resignation, 350 shares; options outstanding at December 31, 1966, 360,674 shares at prices ranging generally from \$19.6979 to \$81.4375 per share, of which 51,439 shares were exercisable as of that date. In addition, 184,087 shares are available at December 31, 1966 for options which may be granted under the plan.

**5. Depreciation.** Provision for depreciation in the amount of \$29,741,054 was charged to manufacturing and other expenses.

## ACCOUNTANTS' REPORT

TO THE BOARD OF DIRECTORS  
THE COCA-COLA COMPANY  
WILMINGTON, DELAWARE

We have examined the consolidated financial statements of The Coca-Cola Company and subsidiaries as of December 31, 1966. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of profit and loss and earned surplus present fairly the consolidated financial position of The Coca-Cola Company and subsidiaries at December 31, 1966, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Ernst & Ernst*

Atlanta, Georgia  
February 28, 1967

## BOARD OF DIRECTORS

**A. A. Acklin, Atlanta, Ga.**

*Retired, Former President, The Coca-Cola Company*

**J. Paul Austin, Atlanta, Ga.**

*President, The Coca-Cola Company*

**C. H. Candler, Jr., Atlanta, Ga.**

*President, Asa G. Candler, Inc.*

**Thomas H. Choate, New York, N.Y.**

*General Partner, White, Weld & Co.*

**William A. Coolidge, Cambridge, Mass.**

*Director of Various Corporations*

**Charles W. Duncan, Jr., Houston, Tex.**

*Chairman, Advisory Board and President, Duncan Foods Co., a Division of The Coca-Cola Company; and Vice President, The Coca-Cola Company*

**James A. Farley, New York, N.Y.**

*Chairman, Board of Directors, The Coca-Cola Export Corporation*

**R. W. Freeman, New Orleans, La.**

*President, The Louisiana Coca-Cola Bottling Company, Ltd.*

**Lindsey Hopkins, Miami, Fla.**

*Chairman, Board of Directors, Security Trust Company*

**Harrison Jones, Atlanta, Ga.**

*Retired, Former Chairman,  
Board of Directors, The Coca-Cola Company*

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*President, Dallas Coca-Cola Bottling Works  
and Houston Coca-Cola Bottling Company*

**B. H. Oehlert, Jr., Atlanta, Ga.**

*Senior Vice President, The Coca-Cola Company*

**William E. Robinson, Greenwich, Conn.**

*Retired, Former President and Chairman,  
Board of Directors, The Coca-Cola Company*

**John A. Sibley, Atlanta, Ga.**

*Honorary Chairman, Board of Directors,  
Trust Company of Georgia*

**Hughes Spalding, Atlanta, Ga.**

*Attorney, member of firm of King & Spalding*

**Lee Talley, Atlanta, Ga.**

*Chairman, Board of Directors, The Coca-Cola Company*

**D. A. Turner, Columbus, Ga.**

*Chairman, Boards of Directors, Columbus Bank &  
Trust Co. and W. C. Bradley Co.*

**George W. Woodruff, Atlanta, Ga.**

*Director of Various Corporations*

**R. W. Woodruff, Atlanta, Ga.**

*Chairman, Finance Committee, The Coca-Cola Company*

## OFFICERS

### THE COCA-COLA COMPANY

Lee Talley . . . . . *Chairman, Board of Directors*

J. Paul Austin . . . . . *President*

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B. H. Oehlert, Jr.

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C. E. Boyd, Jr.

William S. Judkins

R. J. Broadwater

Thomas C. Law, Jr.

George A. Callard

George M. Lawson

Ovid R. Davis

D. A. Leslie

Fred W. Dickson

John H. Ogden

Charles W. Duncan, Jr.

C. A. Shillinglaw

Samuel N. Gardner

J. Lucian Smith

Ralph H. Garrard

John C. Staton

Roberto C. Goizueta

Walter L. Susong

Richard D. Harvey

James F. Williams

Fillmore B. Eisenberg . . . . . *Vice President and Controller*

John D. Goodloe . . . . . *General Counsel*

W. A. Boykin, Jr. . . . . *Treasurer*

J. W. Jones . . . . . *Secretary*

## OFFICERS OF DIVISIONS AND

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Horace D. Clark	A. G. Munkelt
Robert Fey	W. R. Roy
Paul R. Grey	H. W. Schwarz
R. E. Hinton	Harold D. Wakefield

W. E. Speeler . . . . . *Vice President, Secretary and General Counsel*  
John E. Nuckolls . . . . . *Treasurer*  
George Borysewich . . . . . *Controller*

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Dudley A. Tremble . . . . . *Executive Vice President*

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Frank W. Bachmann . . . . . *Treasurer and Controller*

### DUNCAN FOODS CO., Houston, Texas

Charles W. Duncan, Jr. . . . . *Chairman, Advisory Board and President*

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J. H. Dahlberg	James L. Parker
Donald R. Keough	William H. Petersen
Theril L. Lund	Almond Power

Pierre N. Roberts, Jr.

Samuel H. Peak . . . . . *Vice President and Secretary*  
Roland G. Parker . . . . . *Treasurer*

## PRINCIPAL SUBSIDIARIES

### THE COCA-COLA EXPORT CORPORATION, New York, N.Y.

James A. Farley, New York . . . . . *Chairman, Board of Directors*  
John R. Talley, New York . . . . . *President*

#### SENIOR VICE PRESIDENTS

M. H. Farnsworth, New York                      H. F. MacMillan, New York  
Max Keith, Essen                                  H. B. Nicholson, Jr., Brussels  
R. M. Thomas

#### VICE PRESIDENTS

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J. R. Ennis, Sydney                              J. W. Rintelen, New York  
K. B. Graf, Brussels                              W. H. Roberts, Tokyo  
I. Graul, Rome                                      Alfredo Schwab, Paris  
R. L. Gunnels, New York                          D. G. Sisler, Lima  
C. M. Halle, Essen                                J. H. Smit, New York  
V. G. Hoppers, Beirut                           W. O. Solms, Coral Gables  
A. A. Joary, Brussels                              C. P. Stephens, New York  
Oel Johnson, New York                          J. M. S. de Vicuña, Madrid  
A. E. Killeen, Johannesburg                   H. F. Wilds, Jr., Manila  
A. S. Williams, London

H. F. MacMillan, New York . . . . . *Secretary and General Counsel*  
R. C. Munsche, New York . . . . . *Vice President and Treasurer*  
J. J. McGourty, New York . . . . . *Controller*

### COCA-COLA LTD., Toronto, Ontario, Canada.

R. E. Sewell . . . . . *Chairman, Board of Directors and President*

#### SENIOR VICE PRESIDENTS

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#### VICE PRESIDENTS

E. T. Griffith                                      G. Pelletier  
G. D. Millson                                      W. F. Sherer  
A. B. Ballentine . . . . . *Vice President and Secretary*  
C. W. I. Jackson . . . . . *Vice President and Treasurer*

## TRANSFER AGENTS

Wilmington Trust Company  
*Wilmington, Delaware*

Morgan Guaranty Trust Company of New York  
*New York, New York*

Trust Company of Georgia  
*Atlanta, Georgia*

## REGISTRARS

Bank of Delaware  
*Wilmington, Delaware*

The Chase Manhattan Bank  
*New York, New York*

The First National Bank of Atlanta  
*Atlanta, Georgia*

## DIVIDEND DISBURSING AGENT

Wilmington Trust Company  
*Wilmington, Delaware*



